

May 19, 2009

To: Executive Committee

From: Budget Committee

Subject: Amendments to Solid Waste Management Services Diversion Contracts

Confidential Attachment

**Recommendations:****The Budget Committee recommended to the Executive Committee that:**

- 1. City Council approve an increase in the maximum contracted single stream recycling tonnage to be processed by Canada Fibers Ltd. by an additional 20,000 tonnes to 105,000 tonnes per year at an additional \$16.00 per tonne above the current processing rate with CPI adjustments on the new tonnes effective January 1, 2010 and annually thereafter, all net of GST.**
- 2. City Council approve an increase in the maximum contracted source separated organic tonnage to be hauled and processed by OrgaWorld Canada Ltd. by 25,000 tonnes to 75,000 tonnes per year at a rate reduced by \$5.00 per tonne from the current processing rate of \$112.50 per tonne to \$107.50 per tonne on both the currently committed tonnes and the new tonnes with CPI adjustments effective June 1, 2009 and annually thereafter and no change in the current contracted rate of \$17.25 per tonne for haulage, all net of GST.**
- 3. Subject to the adoption of Recommendation 2, City Council approve a put or pay commitment of 70% of the full 75,000 tonnes until May 31, 2013, provided that OrgaWorld Canada Ltd. is capable of processing the full amount.**
- 4. Subject to the adoption of Recommendation 2, City Council authorize the General Manager, Solid Waste Management Services, to exercise the two (2) option years from June 1, 2013 to May 31, 2014 and June 1, 2014 to May 31, 2015 with OrgaWorld Canada Ltd. as part of the agreement for increased capacity.**
- 5. City Council authorize the General Manager, Solid Waste Management Services, to enter into any necessary amending agreements with both Canada Fibers Ltd. and OrgaWorld Canada Ltd. to reflect Recommendations 1, 2, 3 and 4 above, and otherwise on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor.**

6. **City Council:**
- a. **extend the existing authority of the General Manager of Solid Waste Management Services to negotiate and enter into amending agreements with the City's current SSO processing contractors and/or negotiate and enter into agreements with other SSO processing contractors as required to meet the City's SSO (including SSO digestate) processing needs for terms up to December 31, 2015 on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor, provided that the prices do not exceed the increased processing fees identified in Attachment 1 – Confidential Information; and**
  - b. **authorize the General Manager of Solid Waste Management Services to negotiate and enter into amending agreements with the City's current SSRM processing contractors and/or negotiate and enter into agreements with other SSRM processing contractors as required to meet the City's SSRM processing needs for terms up to December 31, 2015 on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor, provided that the prices do not exceed the processing fees identified in Attachment 1 – Confidential Information.**
7. **City Council amend the 2009 Approved Operating Budget for Solid Waste Management Services by increasing expenditures in Cost Centre SW0751 (MRF: Single Stream - Dufferin) by \$1,008,410; by decreasing expenditures in Cost Centre SW0476 (MWPF-DUFFERIN) by \$218,750 and by increasing revenue in Cost Centre SW0751 (MRF: Single Stream - Dufferin) by \$789,660.**
8. **Confidential Attachment 1 to the report (April 21, 2009) from the General Manager, Solid Waste Management Services, remain confidential in its entirety, in accordance with the provisions of the City of Toronto Act, 2006, as it relates to the security of the property of the municipality or local board.**

Background:

The Budget Committee on May 19, 2009, considered a letter (May 5, 2009) from the Public Works and Infrastructure Committee, entitled "Amendments to Solid Waste Management Services Diversion Contracts".

for City Clerk

Merle MacDonald/mb

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